

## **IN THE CLAIMS:**

1. (Currently amended) A method of stimulating growth and differentiation of mammalian pancreatic epithelial cells into three-dimensional cystic-ductular structures containing insulin-secreting cells, said method comprising culturing said pancreatic epithelial cells in the presence of a bone morphogenetic protein (BMP) and at least one of laminin-1 or laminin-1-containing extracellular matrix ECM for a time and under conditions sufficient for colonies to form wherein said colonies comprise three-dimensional cystic-ductular structures containing insulin-secreting cells.
2. (Previously presented) The method of Claim 1 wherein the BMP molecule is a member of the TGF- $\beta$  family.
3. (Previously presented) The method of Claim 2 wherein the BMP molecule is a heterodimer from two or more BMP molecules.
4. (Currently amended) The method of Claim 3 wherein laminin-1 is provided at a concentration of from about 1  $\mu\text{g/ml}$  to about 1000  $\mu\text{g/ml}$ .
5. (Currently amended) A method of stimulating or otherwise facilitating formation of colonies of mammalian pancreatic cells wherein said colonies comprise three-dimensional cystic-ductular structures containing insulin-secreting cells, said method comprising culturing pancreatic cells in the presence of a bone morphogenetic protein (BMP) and at least one of laminin-1 or laminin-1-containing extracellular matrix ECM for a time and under conditions sufficient for said colonies to form.
- 6-7. (Canceled)
8. (Previously presented) The method of Claim 5 wherein the BMP molecule is a member of the TGF- $\beta$  family.

9. (Previously presented) The method of Claim 8 wherein the BMP molecule is a heterodimer from two or more BMP molecules.

10. (Currently amended) The method of Claim ~~34~~5 wherein laminin-1 is provided at a concentration of from about 1 µg/ml to about 1000 µg/ml.

11. (Previously presented) The method of Claims 1 or 5 wherein the pancreatic cells are pancreatic lineage embryonic stem cells.

12. (Currently amended) A method of stimulating or otherwise facilitating formation of cystic epithelial colonies containing insulin-secreting cells, said method comprising culturing pancreatic cells in the presence of a BMP and at least one of laminin-1 or laminin-1-containing extracellular matrix ECM for a time and under conditions sufficient for said colonies to form, wherein said colonies comprise existing detected structures containing insulin-secreting cells.

13. (Previously presented) The method of Claim 12 wherein the BMP molecule is a member of the TGF-β family.

14. (Previously presented) The method of Claim 13 wherein the BMP molecule is a heterodimer from two or more BMP molecules.

15. (Currently amended) The method of Claim ~~32~~12 wherein laminin-1 is provided at a concentration of from about 1 µg/ml to about 1000 µg/ml.

16-32. (Canceled)